

Independent Auditor's Report

To the Board of Trustees
Northeastern State University Foundation, Inc.
Tahlequah, Oklahoma

I have audited the accompanying financial statements of the Northeastern State University Foundation, Inc., an Oklahoma not-for-profit corporation and component unit of Northeastern State University, as of and for the fiscal year ending December 31, 2008, as listed in the table of contents. These financial statements are the responsibility of the Northeastern State University Foundation, Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and in accordance with Oklahoma Statutes. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Northeastern State University Foundation, Inc. as of December 31, 2008 and the results of its operations and cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.



Robert E. Kershaw
Certified Public Accountant & Associates
A Professional Limited Liability Company
Muskogee, Oklahoma

March 13, 2009

Over the past decade, total assets of the NSU Foundation have increased more than 189 percent from \$5,750,085 at the end of fiscal 1999 to \$10,922,010⁽¹⁾ at the end of 2008.

Likewise, endowed funds have grown from \$4,905,396 as of December 31, 1999 to \$8,919,444⁽¹⁾ as of December 31, 2008—a remarkable growth of more than 181 percent in nine years.

⁽¹⁾ The asset and endowment totals ending December 31, 2008 include NSU Foundation funds held by the Regional University System of Oklahoma

Comparative Statement of Financial Position — December 31, 2008 and 2007

	UNRESTRICTED	TEMPORARILY RESTRICTED	RESTRICTED	TOTALS 12-31-08	COMPARATIVE 12-31-07
Assets					
Cash and Cash Equivalents	\$ 508,713	—	\$ 26,077	\$ 534,790	\$ 328,714
Promises to Give	—	—	—	—	—
Investments	—	—	\$ 9,486,869	\$ 9,486,869	\$ 12,861,092
Accounts Receivable	—	—	\$ 666	\$ 666	\$ 2,350
Accrued Interest Receivable	—	—	\$ 8,150	\$ 8,150	\$ 48,922
Prepaid Insurance Expense	\$ 3,052	—	—	\$ 3,052	\$ 3,142
Cash Surrender Value-Life Insurance	\$ 17,945	—	\$ 27,376	\$ 45,321	\$ 42,802
Due from (to) other funds	(\$ 6,034)	\$ 998,543	(\$ 992,509)	—	—
Furniture & Fixtures	—	—	—	—	—
Land	\$ 112,703	—	\$ 9,000	\$ 121,703	\$ 121,703
Total Assets	\$ 636,379	\$ 998,543	\$ 8,565,629	\$ 10,200,551	\$ 13,408,726
Liabilities & Net Assets					
	UNRESTRICTED	TEMPORARILY RESTRICTED	RESTRICTED	TOTALS 12-31-08	COMPARATIVE 12-31-07
Charitable Gift Annuity Payable-Current	—	\$ 15,772	—	\$ 15,772	\$ 15,157
Charitable Gift Annuity Payable-Long-Term	—	\$ 33,108	—	\$ 36,108	\$ 37,094
Accounts Payable	—	—	\$ 232,172	\$ 232,172	—
Total Liabilities	—	\$ 51,880	\$ 232,172	\$ 284,052	\$ 52,251
Net Assets	\$ 636,379	\$ 946,663	\$ 8,333,458	\$ 9,916,500	\$ 13,356,475
Total Liabilities and Net Assets	\$ 636,379	\$ 998,543	\$ 8,565,629	\$ 10,200,551	\$ 13,408,726

Comparative Statement of Activities for the Year Ended — December 31, 2008 and 2007

	UNRESTRICTED	TEMPORARILY RESTRICTED	RESTRICTED	2008 TOTALS	2007 TOTAL
Total Revenues	\$ 257,676	\$ 56,867	(\$ 2,689,503)	(\$ 2,374,960)	\$ 2,029,437
Total Expenditures	\$ 192,625	\$ 17,707	\$ 854,684	\$ 1,065,016	\$ 940,143
Change in Net Assets	\$ 65,051	\$ 39,160	(\$ 3,544,187)	(\$ 3,439,976)	\$ 1,089,293
Transfers	—	(\$ 11,698)	\$ 11,698	—	—
Net Assets as of Beginning of Year	\$ 507,126	\$ 919,200	\$ 11,865,947	\$ 13,356,475	\$ 12,267,182
Net Assets as of End of Year	\$ 636,379	\$ 9,146,663	\$ 8,333,458	\$ 9,916,500	\$ 13,356,475

The notes that accompanied the Independent Auditor's report have not been reproduced in this Annual Report due to space limitations.